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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

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FORM 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 1992

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

PROCESSED BY
MAY 15 1992

Commission file number 000-18448

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SALVATORI OPHTHALMICS, INC

(Exact name of registrant as specified in its charter)

FLORIDA	59-2624130
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6416 PARKLAND DRIVE, SARASOTA, FLORIDA 34243
(Address of principal executive offices) (Zip Code)

(813) 753 - 0383
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes (X) No( )

The number of shares outstanding of the registrants Common Stock, par value $0.05 per share, at April 30,1992 was 1,095,972 shares.

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PART I

ITEM 1. FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31,1992
(Unaudited)
(Begins on the following page)

SALVATORI OPHTHALMICS, INC.

CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 1992 (Unaudited)	December 31, 1991
Current assets:		
Cash and cash equivalents	$ 96,619	$ 301,997
Accounts receivable, less allowance for doubtful accounts of $132,322 ($64,000 at 1990)	587,745	622,720
Inventories, at lower of cost (first in, first-out) or market	514,218	473,971
Other current assets	67,815	73,654
Total current assets	1,266,397	1,472,342
Property and equipment at cost:		
Land	50,000	50,000
Buildings and improvements	205,000	205,000
Laboratory Equipment	914,352	912,837
Office equipment	322,798	322,798
Leasehold improvements	64,807	64,807
	1,556,957	1,555,442
Less accumulated depreciation	611,033	570,309
	945,924	985,133
Other assets:		
Cost in excess of fair value of assets acquired	475,102	497,602
Deferred loan costs	75,000	75,000
	550,102	572,602
Less accumulated amortization	97,054	112,079
	453,048	460,423
Other	27,638	29,577
	480,686	490,000
	$ 2,693,007	$ 2,947,475

The accompanying notes are an integral part of these financial statements.

SALVATORI OPHTHALMICS, INC.

CONSOLIDATED BALANCE SHEETS (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1992 (Unaudited)	December 31, 1991
Current liabilities:		
Accounts Payable	$ 328,316	$ 334,010
Accrued Expenses	557,479	577,313
Current Maturities of long term debt and obligation under capital lease	42,654	47,379
Total current liabilities	928,449	958,702
Long term debt;		
Notes payable to stockholders	573,750	573,750
Obligation under capital lease	133,971	151,856
Long term debt other	46,906	37,204
Total long term debt	754,627	762,810
Deferred rent	53,853	53,853
Commitments and contingencies (Note 3)		
Stockholders'equity		
Common stock, $.05 par value, 20,000,000 shares authorized; 1,108,072 shares issued	54,404	54,404
Capital in excess of par value	3,948,058	3,948,058
Accumulated deficit	(3,041,649)	(2,825,617)
Less: Treasury stock at cost (12,100 shares)	(4,735)	(4,735)
Total stockholders' equity	956,078	1,172,110
	$ 2,693,007	$ 2,947,475

The accompanying notes are an integral part of these financial statements.

SALVATORI OPHTHALMICS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
(Unaudited)

Three Months Ended March 31, 1992 and 1991

	1992	1991
Sales	$ 1,135,101	$ 1,253,452
Cost of Sales	564,084	715,239
Gross Profit	571,017	538,213
Selling expenses	237,544	237,254
Marketing expenses	31,097	30,428
Research and development	33,730	36,425
General and administrative expenses	476,412	456,919
Operating loss	(207,766)	(222,813)
Interest Expense	(15,884)	(8,081)
Other Income	7,617	12,334
Loss before income taxes	(216,033)	(218,560)
Income taxes	---	1,000
Net loss	(216,033)	(219,560)
Accumulated deficit at beginning of period	(2,825,616)	(1,575,520)
Accumulated deficit at end of period	(3,041,649)	$ (1,795,080)
Net loss per common share	$ (0.18)	$ (0.20)
Weighted average shares outstanding	1,095,972	1,075,972

The accompanying notes are an integral part of these financial statements

SALVATORI OPHTHALMICS, INC

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three Months Ended March 31, 1992 and 1991

	1992	1991
Cash flows from operating activities:		
Cash received from customers	$ 1,180,014	$ 1,281,411
Cash paid to suppliers and employees	(1,356,214)	(1,400,282)
Interest received	1,752	3,910
Interest paid	(15,884)	(8,081)
Net cash provided by (used in) operating activities	(190,332)	(123,042)
Cash flows from investing activities:		
Payments for purchases of property and equipment	(1,515)	(18,269)
Net cash used in investing activities	(1,515)	(18,269)
Cash flows from financing activities:		
Principal payments on long term debt	(13,531)	(23,298)
Net cash used in financing activities	(13,531)	(23,298)
Net decrease in cash and cash equivalents	(205,378)	(164,609)
Cash and cash equivalents at beginning of period	301,997	477,950
Cash and cash equivalents at end of period	$ 96,619	$ 313,341

The accompanying notes are an integral part of these financial statements.

SALVATORI OPHTHALMICS, INC

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
(Unaudited)

Three Months Ended March 31, 1992 and 1991

	1992	1991
Reconciliation of net loss to net cash provided by (used in) operating activities:		
Net loss	$(216,033)	$ (219,560)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	31,319	36,679
Amortization	10,548	3,526
Allocation of deferred costs to the current period	623	5,259
Loss on disposal of fixed assets	9,405	--
Additions to cost in excess of fair value	(1 234)	--
Provision for losses on accounts receivable	5,420	2,945
Common stock issuable to officer	--	50,000
Accretion on interest on liability for purchase of stock	--	4,234
Change in operating assets and liabilities:		
Decrease in accounts receivable	29,555	25,014
Increase in inventories	(40,247)	(88,497)
Decrease (Increase) in other current assets	5,839	10,404
Decrease in accounts payable	(5,694)	34,939
Increase (decrease) in accrued expenses	(19,834)	(2,781)
Increase (decrease) in deferred rent	--	14,706
	25,701	96,518
Net cash provided by (used in) operating activities	$ (190,332)	$ (123,042)

The accompanying notes are an integral part of these financial statements.

SALVATORI OPHTHALMICS, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
March 31, 1992 and 1991

1. Significant accounting policies

(a) Basis of presentation and disclosures included

The consolidated balance sheet as of March 31,1992, and the related consolidated statements of operations and accumulated deficit for the three-month periods ended March 31,1992 and 1991 and the consolidated statements of cash flows for the three month periods ended March 31, 1992 and 1991 are unaudited; in the opinion of management, all adjustments necessary for a fair presentation of such financial statements have been included. Such adjustments consisted only of normal recurring items. Interim Results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-Q, and do not contain certain information included in the company's annual financial statements and notes.

(b) Financial statement reclassifications

Certain amounts have been reclassified in the Balance Sheets, Statement of Operations and Accumulated Deficit for the three months ended March 31, 1991 in order to conform to the current period presentation.

2. Inventories

Inventories consist of the following:

	March 31, 1992 (Unaudited)	December 31, 1991
Raw Materials	$ 220,286	$ 125,385
Work in process	54,212	55,073
Finished goods	239,720	315,255
	$ 514,218	$ 495,713

3. Contingencies

1989 Bonus Plan

During March 1989, the Board of Directors approved the 1989 Bonus Plan (the "Plan"). The plan provides for a bonus payable no earlier than December 31,1989 to certain salaried employees who agreed to take reduced salaries during 1989. The bonus would be payable in the first month following two successive calendar quarters during which the company has income before income tax of at least $100,000 in each of the two successive quarters. This condition for payment of the bonus has not been met as of March 31,1992, and accordingly , a liability has not been recorded. The bonus consists of a onetime cash payment to the employee equal to 110% of the salary reduction for the year ended December 31, 1989. The estimated liability that will result should the bonus become payable will be $48,000. In addition, Participants of the Plan received a five year stock option entitling the employee to acquire 0.8 shares of common stock for each $1 in 1989 salary reduction. The stock options are exercisable at a price of $6.25 per share and expire on December 31, 1994. The number of shares of common stock subject to the options, all of which are exercisable as of March 31, 1992, are 3,519.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations - Three Months Ended March 31,1992 Compared to Three Months Ended March 31,1991

Sales declined 9.4% in total for the first quarter of 1992 compared to the same period in 1991. Sales of RGP (rigid gas permeable) contact lenses for the first quarter of 1992 declined 15% to $702,339 compared to sales of $828,730 for the same period in 1991. Sales of soft lenses and solutions increased 2% to $433,000 for the 1992 period compared to $424,000 for the 1991 period.

Management believes that the decline in sales experienced during the 1992 period compared to the 1991 period results from the general economic recession in the United States during the current period. In addition, the advent of disposable lenses, the only industry growth segment, has had the continuing effect of slowing the growth of sales of the other market segments, including the market for the Company's rigid gas permeable and specialty lenses.

Cost of sales decreased to $564,084 or 50% of sales for the 1992 period compared to $715,239 or 57% of sales for the 1991 period. Management believes the decline in cost of sales results from the improved production efficiency of the new manufacturing facility moved into last year, and the upgraded manufacturing equipment, most notably two DAC fully automated lathes, acquired during the latter part of last year.

Other operating expenses, including selling, marketing,research and development and general and administrative expenses, increased by $18,000 or 2% to a total of $779,000 for the 1992 period compared to $761,000 for the 1991 period. Most of the increase was attributable to general and administrative expenses. Other operating expenses for the period totaled 69% of sales for 1992 compared to 61% of sales for 1991.

Financial Condition

Cash and cash equivalents declined by $205,378 for the three months ended March 31,1992 to a balance of $96,619 at the end of the quarter. The decline in cash resulted primarily from cash used in operating activities of $190,332 caused by a net loss for the period. In addition, $53,852 was used to reduce trade payables and $11,923 was used to make principal payments on long term debt.

Working capital at March 31,1992 totaled $348,551 compared to $504,650 at December 31,1991. On September 16,1991, the company completed a debt financing agreement with Tullis - Dickerson Capital Focus L.P. ("Tullis - Dickerson") that consists of a $510,000 three year term loan and a $190,000 revolving line - of - credit. The line of credit proceeds, if drawn, would be used to provide additional working capital.

In addition to the unused $190,000 line of credit available from Tullis - Dickerson, management of the Company has instituted several programs intended to improve the cash flow and maintain an adequate cash balance to support the operations of the Company. These programs include delaying all capital expenditures not required to support production and a salary and wage reduction plan that was implemented on January 2, 1992. Management has also implemented more stringent controls over areas of the Company's operations that directly impact cash flows, including monitoring inventory levels to avoid any excess investment in inventory, collection procedures designed to decrease the accounts receivable collection period and more careful monitoring of operating expenses. Management believes that the Company has adequate funding sources to meet its current obligations.

PART II

ITEM 2. CHANGES IN SECURITIES

On January 24,1992, the Board of Directors, and the holders of a majority of the shares of the Company's common stock acting by written consent effective as of February 20,1992, approved a 1 for 5 share reverse stock split of the Company's common stock, $0.01 par value, that was effective on February 28, 1992. In connection therewith, the Articles of Incorporation were amended to change the par value of the Company's common stock from $0.01 per share to $0.05 per share. All references to shares and related share amounts have been retroactively restated for all periods presented.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On February 20,1992, action was taken by written consent of the holders of a majority of the shares of common stock, $0.01 par value, to amend the Articles of Incorporation to recapitalize the Company by changing the par value of the Company's common stock from $0.01 per share to $0.05 per share. The holders of 787,494 shares of common stock, $0.01 par value,a majority of the shares issued and outstanding, consented to the action. This action was taken in connection with the 1 for 5 reverse split of the Company's common stock, $0.01 par value, effective February 28,1992. Written notice of this action was given to the other shareholders of the Company within ten days thereafter.

ITEM 5. OTHER INFORMATION

On February 14,1992, Bonnie R. Leetmaa, Ph.D., resigned as the president, Cheif Operating Officer and a director of the Company, and David J. Dougherty was elected to serve as President during Dr. Leetmaa's unexpired term. The Company announced that it was discontinuing the use of the designations "Cheif Executive Officer" and "Cheif Operating Officer"

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

INDEX TO EXHIBITS

Exhibit No.	Exhibit	Sequential Page No.
11.1	Computation of earnings per share, March 31, 1992, and 1991	15
3.1	Articles of Amendment	16

(b) Reports on Form 8-K

During the period ended March 31,1991 there was one report on Form 8-K filed on February 11,1992. This filing reported the merging of the operations of the wholly owned subsidiary Wolcon Laboratories, Inc. with those of Salvatori. There were no financial statements filed with this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Salvatori Ophthalmics, Inc.

Date: May 13, 1992

By: David J. Dougherty
David J. Dougherty, Chairman of the Board and President

Date: May 13, 1992

By: Joseph A. Arena
Joseph A. Arena, Director of Finance and Treasurer

Exhibit 11.1

SALVATORI OPHTHALMICS, INC
COMPUTATION OF EARNINGS PER SHARE (a)
(Unaudited)
Three Months Ended March 31,1992 and 1991

	1992	1991
Net Loss	$ (216,033)	$ (219,560)
Common Stock:		
Weighted average shares outstanding	1,095,972	1,075,972
Dilutive effect of outstanding options and warrants (as determined by the application of the treasury stock method)	78,596	13,513
	1,174,568	1,089,485
Net Loss per common share	$ (0.18)	$ (0.20)

(a) This calculation is submitted in accordance with Regulation S - K item 601(b)(11) although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an anti - dilutive result.

Exhibit 3.1

ARTICLES OF AMENDMENT

OF

SALVATORI OPHTHALMICS, INC.

Salvatori Ophthalmics, Inc., a Florida corporation (the "Corporation"), amended its Articles of Incorporation effective as of the close of business on February 28, 1992, by striking Article III in its entirety and by substituting in its place the following:

ARTICLE III
CAPITAL STOCK

This Corporation is authorized to issue twenty million (20,000,000) shares of common stock, par value five cents ($0.05) per share.

Each person who, at the close of business on February 28, 1992 (the "Effective Date"), is the holder of shares of common stock of the Corporation, par value $0.01 per share ("Old Shares"), shall, for each five Old Shares held on the Effective Date, be deemed to hold one share of common stock, par value $0.05 per share ("New Share"), after Effective Date. A certificate evidencing Old Shares prior to the Effective Date shall, after the Effective Date, be deemed to evidence the number of New Shares determined by multiplying by 0.2 the number of Old Shares stated on the certificate. The holder of a certificate evidencing Old Shares shall have the right, after the Effective Date, to exchange the certificate for a certificate evidencing the appropriate number of New Shares. No fractional New Shares shall be issued. The number of New Shares issuable to a holder shall be rounded to the nearest whole number of New Shares. Whenever the number of New Shares is

rounded to the next lower whole number, the holder shall be entitled, in accordance with reasonable procedures established by the Corporation, to be paid cash for the fractional interest, in an amount based upon the average of the bid and asked prices of the common stock of the Corporation as quoted by the National Association of Securities Dealers Automated Quotation System as of the Effective Date.

The amendment was approved on February 20, 1992 by written consent of the holders of a majority of the shares of common stock, $0.01 par value, of the Corporation. Only holders of shares of common stock, $0.01 par value, were entitled to vote on the amendment. Approval by the holders of a majority of the issued and outstanding shares of common stock, $0.01 par value, was sufficient for approval.

IN WITNESS WHEREOF, the President has executed these Articles of Amendment this 21st day of February, 1992.

David J. Dougherty
President

PHK-9675